

KOHAT CEMENT COMPANY LIMITED

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Auditors in their review report on attached condensed interim financial statements have highlighted certain overdue debt payments (note 5.2), as referred to in note 5 in the annexed financial statements, the major part of long term finances i.e. Sukuk issue of PKR 2,414 million has been restructured whereas restructuring of remaining long term debt of Rs. 1,100 million is in process which will hopefully be done shortly and accordingly this matter will also be resolved.

Future outlook – The local demand is expected to gain momentum in forthcoming months amid start of construction season and consumption of PSDP budget by the government. However no significant growth is expected in export market.

Management-employees relations – Relationship between management and employees has been cordial and mutually supportive.

For and on behalf of the Board



Aizaz Mansoor Sheikh
Chief Executive

Lahore: February 22, 2010



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